

COAL TRANSPORTATION ALLOWANCE REPORT

FOR MMS USE ONLY:

1	CUSTOMER NAME _____	2	CUSTOMER CODE _____
ADDRESS _____			
CITY _____		STATE _____	ZIP _____
		4	REPORTING TYPE <input type="checkbox"/>
		5	REPORTING PERIOD _____ 20
			to _____ 20

3 FOR CUSTOMER USE ONLY:

6	7	8	9	10	PRIOR PERIOD ACTUAL DATA		11	CURRENT PERIOD ESTIMATED DATA	
LEASE NUMBER	PRODUCT	MINE NAME	ARM'S-LENGTH/ CUSTOMER-OWNED INDICATOR	a	b	c	a	b	c
				ROYALTY TONS	ALLOWANCE RATE PER TON	ROYALTY ALLOWANCE AMOUNT	ROYALTY TONS	ALLOWANCE RATE PER TON	ROYALTY ALLOWANCE AMOUNT
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									

12	PAGE TOTAL		XXXXXXXXXXXX			XXXXXXXXXXXX	
13	REPORT TOTAL (Last Page Only)		XXXXXXXXXXXX			XXXXXXXXXXXX	
IF MORE LINES ARE NEEDED, ATTACH ADDITIONAL PAGES OF FORM MMS-4293							

I have read and examined the statements in this report and, to the best of my knowledge, they are accurate and complete.	
NAME (FIRST, MIDDLE INITIAL, LAST) (typed or printed)	DATE:
AUTHORIZED SIGNATURE:	DATE:
NAME OF PREPARER:	TELEPHONE NUMBER:

The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected to aid the Minerals Management Service (MMS) in its product valuation and allowance determination process, essential to assuring that Indians receive proper royalty value for minerals removed. Respondents need only submit this information if they choose to file for a royalty allowance; we estimate the burden for voluntarily filing is 2 hours. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MMS, MS 4230, 1849 C Street, NW, Washington, DC 20240. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

FORM MMS-4293 – GENERAL INSTRUCTIONS
COAL TRANSPORTATION ALLOWANCE REPORT

In accordance with 30 CFR §§ 206.460 and 206.461, you may deduct from your royalty payments a portion of the reasonable, actual cost of transporting coal from an Indian lease to a distant sales point or to a wash plant remote from the lease. You calculate the allowance on a per ton of clean coal basis, and may not claim an allowance for reject material on which no royalty is due. You are required to report to the Minerals Management Service (MMS) on an annual or, if necessary, more frequent basis. For example, under arm's length transportation contracts, you must submit the Form MMS-4293 as frequently as necessary to reflect contract modifications or amendments.

At the end of each reporting period, you must report on page 1 of Form MMS-4293 the actual costs deducted during the prior reporting period and the estimated transportation costs to be deducted during the current reporting period. The Schedules for Form MMS-4293 will assist you in assembling the various transportation cost items, computing the total costs, calculating the cost per-ton, and computing the total actual and projected allowance amounts. Report and claim allowances on the Form MMS 4430, Production and Royalty Report, in the allowance section of the form.

You may claim as a transportation allowance the actual transportation costs incurred under arm's length contracts. The transportation allowance amount incurred under non-arm's length contracts or no contracts equals the actual, allowable operating costs plus depreciation plus a return on the remaining undepreciated capital investment.

Determine the transportation allowance rate by dividing the total dollar amount by:

- Tons shipped (raw coal/no washing)
- Clean tons of coal, as measured at the coal transportation facility (coal shipped from the mine to the wash plant)
- Clean tons of coal (coal shipped from the wash plant to the buyer)

Do not take a transportation allowance for any movement of coal in and around the mine area. Haulage recognized as necessary to normal day-to-day operations to the mine do not qualify for transportation allowances, including haulage from the pit or underground operation to a loadout facility, grizzly, or crusher. Do not take an allowance if the transportation segment is prior to the first point where production can reasonably be marketed.

If you commingle Indian coal with production from other leases and transport it to a remote site, you must uniformly apply the transportation cost for moving that production to all the transported tonnage, regardless of the ownership status of the leases from which the coal was produced. This concept is applied in Form MMS-4293, as you are required to compute the transportation allowance using the total tons transported and the total costs incurred.

Page 1 of Form MMS-4293 lists royalty allowance amounts claimed during the prior reporting period and estimates of the royalty allowance amount for the new reporting period. Use a separate page 1 for each mine.

Schedule 1 accumulates transportation segment costs and computes the royalty allowance rate and amount for a transportation facility. (A transportation segment is a mode of transportation from one point to another; e.g., truck, rail, barge. A transportation facility consists of one or more segments from the mine to the ultimate destination.) Use a separate schedule 1 for each transportation facility over which coal is transported. In other words, complete a separate Schedule 1 for each line reported on page 1 of the form MMS-4293.

Schedule 1A summarizes all costs associated with transportation that are not due to capitalized costs. (Enter all costs except depreciation and the return on investment.) Use this schedule only when the transportation segments are non-arm's length or there is no contract.

Supplemental Schedule 1A details operating, maintenance, and overhead costs that could not be shown on Schedule 1A because of limited space.

Schedule 1B summarizes depreciation and undepreciated investment capital costs for a non-arm's length or no contract transportation segment. Enter all depreciation and the return on investment on this schedule. Submit a separate schedule 1B for each segment of the transportation facility.

INSTRUCTIONS FOR COMPLETING FORM MMS-4293, PAGE 1

1. **Customer Name and Address** -- Enter the company name and address used to report royalties and transportation deductions on Form MMS-4430.
2. **Customer Code** -- Enter the same company code (previously the payor code) as used on Form MMS-4430.
3. **For Customer Use Only** -- Enter your internal account identifier that will distinguish this report for you.
4. **Reporting Type** -- Enter the report type indicator as follows:
 - “1” if this is an initial report for the mine and lease number (complete column 11 only)
 - “2” if this is a recurring form reporting the prior and current period data (complete both columns 10 and 11)
 - “3” if this is an amended report to correct previously reported data. An amended report requires a two-line entry. The first line reverses the original entry using a minus sign (-) in all sections of columns 10 and 11, and the second line shows the correct entry.
5. **Reporting Period** -- Enter the period covered by the actual cost data for the transportation allowance reported in column 10. If this is your first report for this mine and lease combination, you will not complete column 10 and the reporting period will be the timeframe covered by the estimated data reported in column 11.

The reporting period is controlled by the *arm's length/customer owned indicator* in column 9.

If you entered a “4” or “5” in column 9:

- Your initial reporting period will begin with the month you were first authorized to deduct the transportation allowance and will end at the end of the calendar year or when the transportation terminates, whichever is earlier.
- Your subsequent reporting periods will begin the first day of the calendar year and end the last day of the calendar year or when the transportation terminates, whichever is earlier.

If you entered a “6” in column 9:

- Your initial reporting period will begin with the month you were first authorized to deduct the transportation allowance and will end at the end of the calendar year or when the contract or rate terminates, is modified or amended, whichever is earlier.
- Your subsequent reporting periods will begin the first day after the period covered by the previous Form MMS-4293 and end the last day of the calendar year or when the contract or rate terminates, is modified or amended, whichever is earlier.

6. **Lease Number** -- Enter the lease number as reported on the Form MMS-4430.
7. **Product** -- Enter the same product as reported on the Form MMS-4430.
8. **Mine Name** -- Enter the mine name associated with this lease for this transportation allowance.

9. ***Arm's Length/Customer-Owned Indicator*** – Complete the column as follows:
- “4” if you incur 100% of the transportation costs under non-arm's length conditions
 - “5” if transportation costs were a combination of arm's length and non-arm's length conditions
 - “6” if you incur 100% of the transportation costs under arm's length conditions

10. ***Prior Period Actual Data*** – Use this column to report actual data for the reporting period. If this is an initial report for start-up, do not complete this column; go to column 11.

Enter in column 10a the sum of the royalty quantity transported and sold during the reporting period (tonnage and royalty rate used in calculation of Schedule 1, line 14) plus the royalty quantity sold during the reporting period but transported during the prior reporting period (tonnage and royalty rate used in calculation of Schedule 1, line 15).

Enter in column 10b the transportation allowance rate determined by dividing the royalty allowance amount (column 10c) by the royalty quantity (column 10a). Calculate the allowance rate to six decimal places.

Enter in column 10c the royalty allowance amount shown on Schedule 1, line 16.

11. ***Current Period Estimated Data*** – Use column 11 to report estimated data for the current reporting period.

The transportation tonnage or allowance rate may be the same as the actual tonnage or rate reported in column 10. If so, enter the corresponding values from columns 10a, 10b, and 10c into columns 11a, 11b, and 11c. If you believe the tonnage or the rate for the new reporting period will be different from the prior reporting period, then adjust the estimates accordingly. Report the allowance rate to six decimal places. Please take care to ensure the estimates are as accurate as possible.

If you incur transportation costs solely under arm's length conditions, compute estimates for a transportation facility start-up as follows:

- Enter in column 11a the estimated clean coal royalty tonnage from transportation operations during the new reporting period. This figure is the estimated lease tons transported and sold multiplied by the lease royalty rate.
- Enter in column 11b the allowance rate per ton as specified in the arm's length contract and as shown on Schedule 1, line 13.
- Report the allowance rate to six decimal places.
- Enter in column 11c the estimated royalty allowance amount computed by multiplying column 11a by column 11b.

If you incur transportation costs under non-arm's length conditions or a combination of both arm's length or non-arm's length conditions:

- Use schedules 1, 1A, and 1B to estimate the allowance rate and amount.
- Enter in column 11a the estimated royalty tons to be transported, expressed in terms of clean coal tonnage.
- Enter in column 11b the estimate allowance rate per ton from Schedule 1, line 13.
- Enter in column 11c the estimated royalty allowance amount from Schedule 1, line 16.

12. **Page Total** – Enter page totals for columns 10a, 10c, 11a, and 11c.

13. **Report Total** – If you submit more than one page 1 of Form MMS-4293, sum the lines 12 of each page and enter the total on line 13 of the last page 1 of the report packet.

Complete the bottom portion of the form with your dated name, signature, and the name and phone number of the person completing the form. Check the appropriate box indicating if you consider the submitted information proprietary or nonproprietary.